

Chairman Vap called the regularly scheduled meeting to order at 10:03 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson, and Vap present and Commissioner Landis excused.

GENERAL ADMINISTRATION

Notice was duly published March 16, 2004, on Page 7 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held April 23, 2004, at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Attention was called to the following proceedings:

Tuesday, March 23, 2004:

NUSF-32 Commission Hearing Room, Lincoln.
1:30 The Commission, on its own motion, seeking to conduct an inquiry into the failure of various companies to comply with Commission Orders and, at its own discretion, impose administrative fines against the named defendants. Commissioner Vap chairing.

Wednesday, March 24, 2004:

B-1636 Nebraska State Office Building, Room 218, 1313 Farnam
10:00 Street, Omaha. Powerday Glory, Inc., Omaha, seeking authority as a common carrier in open class service by vans and wheelchair accessible vans between points in Douglas and Sarpy counties and between points in said counties and points in Nebraska over irregular routes. To include the transportation of Health and Human Services clients and their subcontractors thereof. RESTRICTION: The transportation of railroad train crews and their baggage is not authorized. Commissioner Boyle chairing.

Thursday, March 25, 2004:

TR-132 Nebraska State Office Building, Room 127, 1313 Farnam
9:00 Street, Omaha. Safeway Cabs, Inc., Omaha, seeking to amend its taxi rates. Commissioner Boyle chairing.

Friday, March 26, 2004:

10:00 Commission Library, Lincoln.
E911 Advisory Board Meeting.

COMMUNICATIONS DEPARTMENT

AD-302r In the Matter of Soundbite Communications, Burlington, Massachusetts, seeking authority to connect an automatic dialing-announcing device: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

C-1071/ In the Matter of OneStar Long Distance, Inc., d/b/a OneStar
C-1308/ Long Distance, Evansville, Indiana, seeking authority to
C-2088/ expand the authority currently granted in its Certificate
C-2091/ of Public Convenience and Necessity to also provide com-
C-2271 petitive local telecommunications services in the state of
Nebraska: Gene Hand informed the Commission that a notification had been received from OneStar that they had filed Chapter 11 Bankruptcy in the Southern District of Indiana. OneStar assures that it does not anticipate any disruption of its services to its customers and expects to continue their day-to-day operations.

C-2932 In the Matter of NPCR, Inc., d/b/a Nextel Partners, Eden Prairie, Minnesota, seeking designation as an Eligible Telecommunications Carrier that may receive universal service support: An oral argument was scheduled for April 14, 2004, at 1:00 p.m. in the Commission Hearing Room, Lincoln.

C-3026 In the Matter of the Commission, on its own motion, seeking to conduct a 9-month proceeding as contemplated by the Federal Communications Commission in its Triennial Review Order adopting new rules for network unbundling obligations: Gene Hand informed the Commission that a Hearing Officer's Order had been entered extending the deadline to file revised objections to discovery to April 2, 2004. Qwest filed a motion to stay the matter, which Alltel supported by letter dated March 17, 2004. MCI and AT&T filed in opposition of the motion to stay. Motion made by Commissioner Anne Boyle, seconded by Commissioner Rod Johnson to enter an order suspending the 9-month proceeding. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

C-3108 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of its Special Promotion Amendment for Available Inventory Collateral Sites with Cox Nebraska Telcom, L.L.C., Omaha, previously granted in Docket C-1473: Motion made by Commissioner Anne Boyle, seconded by Commissioner Rod Johnson to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3109 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of its Amendment to Interconnection Agreement with NPCR, d/b/a Nextel Partners, Kirkland, Washington, previously granted in Docket C-2145: Motion made by Commissioner Anne Boyle, seconded by Commissioner Rod Johnson, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

C-3110 to In the Matter of Clarks Telecommunications Co.; Consoli-
C-3122 dated Telephone Company; Consolidated Telco, Inc., and Consolidated Telcom, Inc.; Hamilton Telephone Company; Hartington Telecommunications Co.; Hershey Cooperative Telephone Co.; K & M Telephone Company; Nebraska Central Telephone Company; Northeast Nebraska Telephone Company; Sodtoun Telephone Company; Stanton Telecom, Inc.; Three River Telco; Eastern Nebraska Telephone Company; Rock County Telephone Company, seeking suspension or modification of the Federal Communications Commission requirement to implement Wireline-Wireless Number Portability pursuant to 47 U.S.C. Section 251(f)(2): Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to enter orders granting interim relief. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

C-3123 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of its UNE-P PAL Amendment to the interconnection agreement with 1-800 RECONEX, Inc., Hubbard, Oregon, previously granted in Docket C-2557: Motion made by Commissioner Anne Boyle, seconded by Commissioner Rod Johnson to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

C-3144 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of its revised statement of generally available terms (SGAT) pursuant to Section 252(f) of the 1996 Telecommunications Act: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle to enter an order withdrawing the application at the applicant's request. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

Gene Hand informed the Commission that the Nebraska Telecommunications Association recently issued a press release regarding the faster than expected growth of broadband in rural Nebraska. Commissioner Vap commended the telecommunications industry for its broadband efforts and recognized all providers for the significant investments made which have resulted in 86 percent of the total population of the state having broadband available.

COMMUNICATIONS DEPARTMENT (Cont.)

Gene Hand informed the Commission that Frontier is expanding its DSL offering to Franklin, Leigh, Sumner, Miller, Orchard, Brunswick, Tilden, Alma and Orleans. Frontier also provided a schedule depicting the availability of broadband in the communities they serve.

Gene Hand informed the Commission that FCC Chairman Powell will participate in the weekly Ad Hoc conference call of the NARUC Telecommunications Committee on Friday, March 2, 2004, at 1:00 p.m. CST.

Gene Hand informed the Commission that staff will be meeting on Friday, March 26, 2004, to review recent FCC actions relative to VoIP and develop recommendations for the Commission.

Gene Hand reported on the progress of the funding sub-group of the Statewide Synchronous Video Workshop led by Wayne Fisher. The group is investigating funding sources to carry out the conversion plans proposed to migrate the current distance learning consortiums in Nebraska to internet protocol networks.

Commissioner Boyle addressed progress made on getting 211, 511, and 711 basic information in directories on the 911 page. Gene Hand added that updated recommended directory language will be provided to all carriers for inclusion in the directories they must provide to customers.

Gene Hand informed the Commission of a news conference that will be held on April 12, 2004, at 11:00 a.m. at the Peter Kiewit Institute in Omaha to discuss Network Nebraska.

UNIVERSAL SERVICE FUND

NUSF-4 In the Matter of the Commission, on its own motion, seeking to determine the level of the fund necessary to carry out the Nebraska Telecommunications Universal Service Fund Act to be effective fiscal year beginning July 1, 2004: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle to enter an order setting a public hearing for May 11, 2004, at 1:30 in the Commission Hearing Room, Lincoln. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

NUSF-37.18 In the Matter of Jeffrey L. Pursley, Director, Nebraska Universal Service Fund Department, Nebraska Public Service Commission, Complainant, vs. Touch America, Respondent: Motion made by Commissioner Rod Johnson, seconded by Commissioner Anne Boyle to enter an order dismissing the complaint. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

UNIVERSAL SERVICE FUND (Cont.)

Jeff Pursley reported on the Late-Filed Carrier Remittances. The Commission approved levying a late fee against ATT Wireless PCS; Omaha Cellular Telephone; Sioux City MSA; Telecorp Communications and Verizon Wireless Messaging.

NUSF-26 In the Matter of the Commission, on its own motion, seeking to establish a long-term funding mechanism: Jeff Pursley reported that a Hearing Officer's Order was issued on March 18, 2004, releasing the support area information for review.

Jeff Pursley discussed the necessity of social security numbers of Health and Human Services (HHS) clients as a determination of participation in the Nebraska Telephone Assistance Program (NTAP).

Jeff Pursley reported that there is an increasing backlog of NTAP applications, due largely in part to the response of monthly mailings from HHS.

Jeff Pursley reported on an inquiry from Senator Hartnett's office regarding the NUSF.

E911 DEPARTMENT

Laura Demman presented thank you letters to the Commission for their signature which will be sent to E911 Advisory Board Members for their time served on the Wireless E911 Board

NATURAL GAS AND WATER DEPARTMENT

NG-0001 In the Matter of Aquila, Inc., d/b/a Aquila Networks
NG-0002 (Aquila), Omaha, seeking a general rate increase for
NG-0003 Aquila's Rate Area One, Rate Area Two and Rate Area Three:
Motion made by Commissioner Rod Johnson, seconded by Commissioner Lowell Johnson to approve Aquila's refund plan. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

NG-0019 In the Matter of the Petition for Declaratory Ruling of
Metropolitan Utilities District (MUD), Omaha, seeking a determination that Neb. Rev. Stat. §§ 57-1302 through 57-1307 and Neb. Rev. Stat. § 66-1849 and Neb. Admin. Code, Title 291, Chapter 9, Sections 003.01 through 003.11 and Section 009.01 do not apply to a natural gas supply and transportation arrangement between MUD and Nebraska Public Power District (NPPD): Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson to enter a procedural order. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

LEGISLATIVE REPORT

Laura Demman updated the Commission on LB 499.

Angela Melton updated the Commission on the wireless telecommunications interim study resolution to be introduced on behalf of the Commission by Senator Adrian Smith.

The Commission recessed at 10:45 and reconvened at 10:49 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson, and Vap present and Commissioner Landis excused.

GRAIN WAREHOUSE DEPARTMENT

GW-1154 John Fecht discussed the shortage of corn screenings at Heartland Coop, Hastings.

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to enter an order granting the following applicants a Grain Dealer License, subject to the fulfillment of all statutory requirements, for the license period ending June 30, 2004. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

SECURITY

GD-1154	Heartland Co-op, Hastings	\$ 35,000
GD-2136	Pierce Elevator, Inc., Pierce	147,000
GD-2883	United Bio Energy Ingredients, LLC, Wichita, Kansas	188,000

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle to enter an order granting the following applicant a Grain Dealer License, subject to the fulfillment of all statutory requirements, for the license period ending December 31, 2004. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE.

SECURITY

GD-2869	DeBruce Grain, Inc., N. Kansas City, Missouri	\$300,000
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John Fecht discussed a telephone conversation he had with James Krans of the Nebraska State Patrol regarding the request of the Commission to investigate alleged illegal grain dealer activity.

TRANSPORTATION DEPARTMENT

B-1277 In the Matter of Brian L. Mills, dba Fantasy Limousine, Omaha: No Motion was made. On the recommendation of Mark Breiner, the Order to Show Cause was sustained and the authority revoked was held over.

TRANSPORTATION DEPARTMENT (Cont.)

B-1549 In the Matter of the Commission, on its own motion, seeking a suspension of the Certificate of Public Convenience and Necessity issued to Blaine Rentals, Inc., dba The Panhandle Runaround, Chadron, in Certificate B-1549 until September 1, 2004: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle to suspend Certificate B-1549 until September 1, 2004. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

B-1566 In the Matter of R & J Limo Services, Inc., Cozad, seeking a suspension of the Certificate of Public Convenience and Necessity issued in Certificate B-1566 until August 1, 2004: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle to suspend Certificate B-1566 until August 1, 2004. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

Bob Harrison reported on informal complaints filed with the Commission.

Rate Division

TR-132 In the Matter of Safeway Cabs, Inc., Omaha, seeking to amend its taxi rates: The hearing previously set for February 19, 2004, was continued to March 25, 2004, at 9:00 a.m. in the Nebraska State Office Building, Room 127, 1313 Farnam Street, Omaha.

MR-930 In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Household Goods Tariff 7-F: The fuel surcharge was increased to 20 cents per mile and the taxi surcharge retained at 35 cents per trip.

GENERAL ADMINISTRATION

The Commission approved the following invoices:

ASAP Software	\$	288.20
Executive Travel		288.70
Executive Travel		288.70
Anne Boyle		833.08

Upon agreement of all Commissioners present, authorization was granted for Robert Bowman to travel to Clay Center, Kansas, on March 25, 2004, to perform a modular housing unit factory inspection of Wardcraft Homes with all expenses, including time, to be reimbursed to the Commission by Wardcraft Homes. No motion was made.

GENERAL ADMINISTRATION (Cont.)

Upon agreement of all Commissioners present, authorization was granted for Commissioners to attend the Mid-America Regulatory Conference to be held in Madison, Wisconsin, from June 12-16, 2004.

The Commission discussed budget matters and approved the purchase of computers and software.

Commissioner Lowell Johnson moved that the Commission go into closed session to discuss litigation issues and Commissioner Boyle seconded the motion. Upon agreement of all Commissioners present, the Commission went into closed session at 11:39 a.m.

Commissioner Rod Johnson moved that the Commission return to open session and Commissioner Boyle seconded the motion. Upon agreement of all Commissioners, the Commission returned to open session at 11:53 a.m.

The meeting adjourned at 11:54 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson, and Vap present and Commissioner Landis excused. The next regularly scheduled meeting will be held on March 30, 2004, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on March 29, 2004.

Chairman

Executive Director